

ASSEMBLY BILL

No. 1096

Introduced by Assembly Member Connolly

February 20, 2025

An act to amend Section 116755 of the Health and Safety Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1096, as introduced, Connolly. Mutual water companies: board members: training.

Under existing law, a mutual water company is defined as a corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation or domestic purposes that provides in its articles or bylaws that the water shall be sold, distributed, supplied, or delivered only to owners of its shares, as specified. Existing law requires each board member of a mutual water company that operates a public water system, within 6 months of taking office and every 6 years thereafter, to complete a course offered by a qualified trainer regarding the duties of board members of mutual water companies, as provided.

This bill would require a board member of a mutual water company to provide proof of completion of that training to the State Water Resources Control Board no later than 30 days after completing the training.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 116755 of the Health and Safety Code
2 is amended to read:

3 116755. (a) (1) Each board member of a mutual water
4 company that operates a public water system, as defined in Section
5 116275, shall, within six months of taking office, or by December
6 31, 2012, if that member was serving on the board on December
7 31, 2011, complete a two-hour course offered by a qualified trainer
8 regarding the duties of board members of mutual water companies,
9 including, but not limited to, the duty of a corporate director to
10 avoid contractual conflicts of interest and fiduciary duties, the
11 duties of public water systems to provide clean drinking water that
12 complies with the federal Safe Drinking Water Act (42 U.S.C.
13 Sec. 300f et seq.) and this chapter, and long-term management of
14 a public water system. A board member of a mutual water company
15 that operates a public water system shall repeat this training every
16 six years. For the purposes of this ~~subdivision~~, *paragraph*, a trainer
17 may be qualified in any of the following ways:

- 18 ~~(1)~~
- 19 (A) Membership in the California State Bar.
- 20 ~~(2)~~
- 21 (B) Accreditation by the International Association of Continuing
22 Education and Training (IACET) ANSI/IACET 1-2007.
- 23 ~~(3)~~
- 24 (C) Sponsorship by either the Rural Community Assistance
25 Corporation or the California Rural Water Association.

26 (2) *No later than 30 days after completing the training*
27 *requirements described in paragraph (1), a board member of a*
28 *mutual water company shall provide proof of completion of the*
29 *requirements to the state board.*

30 (b) A mutual water company formed pursuant to Part 7
31 (commencing with Section 14300) of Division 3 of Title 1 of the
32 Corporations Code, that operates a public water system, shall be
33 liable for the payment of any fines, penalties, costs, expenses, and
34 other amounts that may be imposed upon the mutual water
35 company pursuant to this chapter. The mutual water company may
36 levy an assessment, pursuant to Section 14303 of the Corporations
37 Code, to pay these fines, penalties, costs, expenses, and other
38 amounts so imposed. If the amount of outstanding fines, penalties,

1 costs, ~~expenses~~ *expenses*, and other amounts imposed pursuant to
2 this chapter exceed 5 percent of the annual budget of the mutual
3 water company, ~~then~~ the mutual water company shall levy an
4 assessment, pursuant to Section 14303 of the Corporations Code,
5 to pay those fines, penalties, costs, expenses, and other amounts
6 so imposed.

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